

**PON 08-001 Pre-Proposal Workshop  
November 4, 2008  
Questions and Answers**

**Q. Does this solicitation emphasize commercialization over basic research? Do proposers have to include a demonstration to receive funding or will you fund laboratory research and pilot scale development? Will you fund more research on an already commercialized project?**

**A. The solicitation emphasizes projects that have a reasonable expectation of being marketable and moving to commercialization. However, all proposals will be considered. We have funded projects that are higher risk research projects. Your proposal, regardless of the stage of development being proposed, is scored using the scoring criteria. Passing proposals are ranked based on their score and the highest ranked projects are funded, no matter what stage of development the proposed project is in.**

**Q. Will you fund a continuation project?**

**A. We can fund new projects or new tasks associated with existing projects. We will fund projects that carry on work from other funding sources, but will not fund projects that are duplicative of on-going or previously funded projects.**

**Q. We have plans to commercialize our technology, but we are looking for partners. Do you provide this assistance?**

**A. No, but we suggest you review our solicitation to determine whether you have a potential project that fits into the scope of this solicitation. Review the criteria.**

**Q. If our proposal does not achieve a 70 percent score in any one area, will our proposal be rejected?**

**A. No, the total cumulative score is considered. Therefore, if you score below 70 percent in one area, another area could make up for it by scoring above 70 percent. The bottom line is that your proposal must achieve an overall score of 70 percent to be considered for funding.**

**Q. Is this solicitation focusing on engine technology?**

**A. Yes, this solicitation is focusing on advancing reciprocating engine technologies developed for mobile applications that are transferred to distributed generation and combined heat and power applications. This program opportunity is limited to advancements for reciprocating engines.**

**Q. Will you only fund projects that include a plan by the proposer to commercialize?**

**A. We have funded higher risk projects that are not close to commercialization and that contain lab testing, component testing, and subsystem testing that need to be considered and could lead to eventual commercialization. As a proposer, consider what it would take to lead to commercialization. A Commercialization Readiness Plan is one task within the Work Statement template and that task will be incorporated into the successful proposer's grant agreement.**

**Q. Do you have an engine size limitation?**

**A. No.**

**Q. Does the budget allow for general and administrative charges?**

**A. Yes.**

**Q. Is profit allowed?**

**A. No profit is allowed under grant agreements. The budget must not include any profit from the proposed project, either as a reimbursed item or as match share.**

**Q. Can you explain the royalty provision under the terms/conditions? (The question was asked by companies that have put millions into transportation/mobile engine research and have commercial products and now it appears the Commission is asking them to transfer the technology to the stationary market and get royalties for their previous expenditures.) Do the provisions apply only to the grant recipient or does it affect the subcontractors?**

**A. Clause 26 states that a Recipient** agrees to pay the Energy Commission a royalty of one and one-half percent (1.5%) of the Sale Price on Sales of all Project-Related Products and Rights that the Recipient receives. Sale Price, Sales and Project-Related Products and Rights are defined terms and contain additional defined terms (Clause 24) that describe what royalties can be based upon. The requirement to pay a royalty is based upon whether there are Project-Related Products and Rights and the Recipient making a Sale pursuant to the definition of a Sale. A Project-Related Products and Rights means any and all inventions, discoveries, machines, designs, computer software, products, devices, mechanisms, methods, protocols, processes, algorithms, flowcharts, diagrams, trade secrets, data, copyrights, patents, trademarks, proprietary rights, and the like **created or made or discovered or first reduced to practice by the Recipient or other third party as a result, in whole or in part, of the Agreement award(s)** (emphasis added) and any and all updates, revisions, modification, enhancements, derivations, variations, additions, continuations, renewals, and extensions thereto and all proceeds and products therefrom. A Sale occurs if there is a sale, license, lease, gift or other transfer of Project-Related Product and Rights. Please carefully review

these provisions with your advisors to determine if your award may generate a royalty repayment obligation. Recipients may be responsible for royalties should they make a Sale involving their subcontractors on Project-Related Products and Rights.

**Q. Do we have to meet the 60 percent efficiency target?**

**A. Any combined heat and power system project for California must meet a minimum 60 percent efficiency as calculated according to Attachment B. Also see the last bullet under Scoring Criterion 1.**

**Q. The Program Opportunity Notice mentions technical barriers. Where can a proposer find a list of barriers to combined heat and power?**

**A. Some barriers are listed on page 2 of this solicitation. Also read the 2005 and 2007 Integrated Energy Policy reports, the Final Opinion and Recommendations on Greenhouse Gas Regulatory Strategies (publication # CEC-100-2008-007-F), the California Air Resources Board's Climate Change Proposed Scoping Plan and supporting appendices.**

**Q. Do we have to include match funding?**

**A. No, match is expected but is not required. The amount of match funding is considered under Scoring Criterion 8.**

**Q. Will you be issuing a new solicitation soon for only technology research?**

**A. No, our next solicitation is for combined heat and power, including combined cooling, heating and power applications. Technology research may be funded next fiscal year.**

**Q. What do you mean by confidentiality?**

**A. This includes intellectual property. If you don't want us to share information with the general public, you should not give it to us. Under the freedom of information act, the general public may ask us to look at your information. Patents are not confidential.**

**Q. Do you encourage communication after the pre-bid conference?**

**A. Yes, we encourage questions, and we will post responses by December 3.**

**Q. Why was the California Air Resources Board's guidance on emission requirements used in Attachment B when the actual emission requirement within local air districts is different?**

**A. Appendix B was included as a reference source for criteria pollutant emissions from distributed generation/combined heat and power systems.**

The requirements of the air district respective to your project should be researched by you, the proposer. We don't expect the air emission requirements to become more lenient.

**Q. What is the difference between Transportation's Small Grants program and this solicitation?**

**A. The California Energy Commission's Energy Innovations Small Grant Transportation Program is a completely different program that provides up to \$95,000 for hardware projects and \$50,000 for modeling projects for research that establishes the feasibility of new energy concepts. Advanced development of concepts already proven feasible and product development, testing, or validations normally done after research do not qualify for the Small Grant Transportation Program.**

**Q. How can a proposer fully document all the work that has gone into a project without including confidential and/or intellectual property?**

**A. The proposal needs to be written such that it can convince the reviewer that the project has worth without divulging any confidential information.**

**Q. May PIER funds be spent prior to match funds being spent?**

**A. On page 18 of the Terms and Conditions: *"If the Budget includes a match share requirement, the Recipient's commitment of resources, as described in this Agreement, is a required expenditure for receipt of Energy Commission funds. Grant funds will be released only if the required match percentages are expended. The Recipient must maintain accounting records detailing the expenditure of the match (actual cash and in-kind services) and report on match share expenditures on the Recipient's request for payment."* If match funds are identified, they must be spent concurrent with Energy Commission funds.**

**Q. How would we distinguish between funding someone who has done all the research and needs commercialization help and someone who needs more research on an already commercialized product?**

**A. The first part of the question is outside this solicitation – the Energy Commission will not find markets or venture capital for you. The second part of the question could be eligible for funding under this solicitation.**

**Q. How important is a combined heat and power demonstration?**

**A. The emphasis of this solicitation is reciprocating engines. Combined heat and power applications frequently use engines as the electrical power**

**source. CHP has the potential for the higher utilization of fuel energy than electricity generation alone. The push from the legislature is to get California projects closer to commercialization to show benefits to electricity and natural gas customers in the state. Proposals will be scored based on the scoring criteria. The scoring criteria do not give an explicit advantage to demonstration projects.**

**Q. One million dollars is not enough for full commercialization of a product. How will scoring be done between later-stage development rather than basic research?**

**A. All proposals will be scored according to the same criteria. Applicants should determine how responsive their proposal will be to the scoring criteria and whether it is likely to receive a passing score.**